Foreign CROPS AND MARKETS

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FOREIGN CROPS AND MARKETS

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U. S. PURCHASES OF RHODESIAN LEAF
EXCEED LONDON AGREEMENT

Purchases of Rhodesian (Southern and North-Western Rhodesia) leaf tobacco from the 1956 crop by United Kingdom buyers, totaling 87.7 million pounds, exceeded the amount laid down in the Southern Rhodesian-United Kingdom Tobacco Agreement by nearly 5 million pounds. The United Kingdom purchased 51.1 percent of the total 1956 crop and the quantity was almost 20 million pounds greater than purchases from the 1955 crop. Purchases by Australia amounted to 9.3 million pounds or 5.4 percent of total sales.

AUSTRALIAN OUTPUT OF TOBACCO
PRODUCTS CONTINUES RISE

Australian output of tobacco products during fiscal 1955-56, totaling 45.7 million pounds, was almost double that of prewar. Cigarette output, totaling 26.4 million pounds, has practically doubled within the last 4 years and is now over 4 times larger than the prewar level of 6.3 million. Production of smoking tobacco, principally for "roll-your-own" cigarettes, was about 18 percent below the 1953-54 record high of 23.4 million pounds. Prior to fiscal 1954-55, output of smoking tobacco exceeded cigarette output. Output of cigars declined during 1955-56 after increasing from the 1952-53 low.

NIGERIAN TOBACCO IMPORTS
DOWN SLIGHTLY

Nigerian imports of unmanufactured tobacco in the first half of 1956 totaled 1.8 million pounds, compared with the January-June 1955 level of 1.9 million. Takings of United States leaf, principally Black Fat, flue cured and One Sucker, were about 4 percent larger than last year. Imports from Southern Rhodesian and India, which were significant in recent years, were nil during the first 6-months of 1956. Takings from the Gold Coast (re-exports) are being stepped-up.

MALAYAN OUTPUT OF TOBACCO
PRODUCTS UP

Output of tobacco products in the Federation of Malaya during the first half of 1956 totaled 4.3 million pounds, compared with 3.7 million produced in January-June 1955. Cigarette output was about 17 percent larger than the January-June 1955 level of 1.3 million pounds and continues to represent an increasing proportion of total output. Production of cigars, including cheroots, and smoking tobacco was also up 11 and 14 percent, respectively, above the January-June 1955 level.

BELGIUM REDUCES SALES TAX ON CIGARETTES AND SMOKING MIXTURES

The transmission (sales) tax rate applicable to cigarettes and smoking mixtures in Belgium reportedly has been reduced from 4.2 to 1 percent of the retail price. The new tax rate became effective on October 25, 1956, and is applicable until December 31, 1957. Currently, the sales tax on cigarettes and smoking mixtures is the same as levied on cigars and cigarillos priced under 10 Belgian francs each. Retail prices of the most popular brands of cigarettes have been reduced from 11.50 to 10.50 Belgian francs (23 to 21 U.S. cents) per pack, or about 9 percent.

CEYLON TOBACCO FARMERS DISTURBED BY EXPIRATION OF INDIAN TARIFF CONCESSIONS

Tobacco farmers of the Jaffna Peninsula, Ceylon, are concerned about the scheduled expiration of Indian tariff concessions on Jaffna Malayalam tobacco. This concession, which is to expire in August 1957, places producers of Malayalam leaf in a very unsatisfactory position as there is very little market for this type within Ceylon.

TRADE AGREEMENT BETWEEN CUBA AND SWITZERLAND EXTENDED FOR 3 YEARS

It has recently been reported that the trade agreement between Cuba and Switzerland has been extended for three years. The agreement, which extends to both countries the most-favored-nation treatment by the other, will now stay in force until December 31, 1959. Tobacco products are expected to be one of the principal exports from Cuba to Switzerland as they have been in the past.

GREEK GOVERNMENT BUYS 1955 TOBACCO TO SUPPORT THE MARKET

The Greek Government has already purchased 24 million pounds from the 1955 tobacco crop which totaled 213 million. Purchases were made in furtherance of the government policy of removing exportable tobacco surpluses from the domestic market.

As of December 1, 1956, total purchases from farmers (by the government and merchants) amounted to about 205 million pounds. This left approximately 8 million still to be sold of which more than 4 million will probably be used for domestic manufacture.

PANAMA'S IMPORTS OF EGGS AND POULTRY PRODUCTS FROM U. S. DOWN SHARPLY

Imports of hatching eggs and baby chicks in Panama, the only poultry products permitted entry, decreased quite drastically during the past 2 years as a direct result of the imposition of import tariffs and quotas. Baby chicks are permitted free entry except for restrictive licenses and quotas, while hatching eggs are subject to certain surtaxes in addition to the normal 10 cents per dozen, along with import licenses.

U. S. Exports to Panama

	1953	1954	1955	1956
Hatching eggs (1,000 doz.)	431	228	85	13
Baby chicks (1,000 head)	159	222	2	0

Panama has increased its domestic production with the aid of the government until they are now able to export small quantities of eggs for consumption to surrounding countries.

Most of the poultry feed used is mixed in Panama. However, large quantities of ingredients are imported from the United States along with considerable quantities of ready mixed feeds.

COSTA RICAN CO-OP TO BUY CHICKS, FEEDS AND EQUIPMENT FROM U. S.

During the last five years a modern egg-producing industry has developed in Costa Rica, resulting in an increased demand for United States baby chicks and supplies.

The demand for baby chicks will probably continue its upward trend in the immediate future in order to supply the needed chicks for the broiler industry, plus replacement birds in laying flocks. Baby chicks have been imported from the United States by private importers with much satisfaction in the past, and the Cooperative does not wish to interrupt these channels as long as they are functioning properly. It is possible for a Cooperative in Costa Rica, such as the Cooperativa de Avicultores, R.L., Apartado 4203, San Jose, to import necessities without paying duties and fees.

Importations of some egg-cleaning and classifying equipment, and mixed feed, totaling 3,500,000 pounds, have already been made by the Cooperative. However, much more feed is to be imported at the rate of about 1,000,000 pounds per month, and slaughtering equipment is to be installed soon.

The quantity of slaughtering equipment imported is somewhat contingent upon the rapidity with which the broiler industry develops. The Cooperative plans to expand broiler production immediately.

URUGUAY AUTHORIZES FREE
EXPORTATION OF BIRDSEED

The large production of birdseed (presumably Canary) in Uruguay, now estimated at between 1500 and 1800 metric tons, is well above domestic requirements (600 metric tons), and the Government has now authorized free exportation. However, exports must have 98 percent or better purity. Also, the exchange rate set for the exported birdseed provides for 50 percent of the value to be at free rate of 4.10 pesos to the dollar and 50 percent at the controlled rate of 1.519 per dollar.

U. S. EXPORTS OF GRASS AND LEGUME
SEEDS CONTINUE AT HIGH LEVELS

November exports of grass and legume seeds continued at levels above those of last year. Shortages of some items, such as alsike clover and orchardgrass, are more than offset by the increased movement of other seeds. The Federal Republic of Germany took the major portion of the seeds in November, with the Netherlands, France, and Canada also receiving large shipments. Exports of "other" grasses continue to increase, but since this designation of the Census Bureau is a "basket" category of more than 10 grasses, it is unknown which of the important grasses are moving out.

GRASS AND LEGUME SEEDS: U. S. Exports, November 1956, with comparisons

Kind of Seed	November		July 1, 1955, to November 30, 1955	July 1, 1956, to November 30, 1956
	1955	1956		
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Alfalfa	636	1,399	2,473	3,001
Alsike	4	77	58	171
Other clovers	184	662	755	2,468
Fescue	47	293	312	1,859
Ky. bluegrass	67	40	167	211
Orchardgrass	0	0	36	7
Redtop	133	84	210	174
Timothy	183	194	353	591
Other grasses	497	1,140	1,819	3,926
TOTAL	1,751	3,889	6,183	12,408

GRASS AND LEGUME SEEDS: U.S. Exports by Countries of Destination, November 1956

Country	Alfalfa	Alsike	Other Clover	Fescue	Kentucky bluegrass	Redtop	Timothy	Other grasses	Total
	- - -	- - -	- - -	- - -	1,000 pounds	- - -	- - -	- - -	- - -
North America									
Canada	162		255	10	17	13		222	679
Cuba	2								2
Mexico	209								209
South America									
Chile								5	5
Uruguay				177				22	199
Europe									
Austria								4	4
Belgium		6	28				18	66	118
Denmark		4				11			15
France	142		68	11	19	17		1	258
West Germany	785	35	104	11		29	121	38	1,123
Ireland		23	5	7				2	37
Italy						1	7	85	93
Netherlands	88		132	47			22	477	766
Norway						11			11
Sweden								31	31
Switzerland		9	16		4	2	26	48	105
United Kingdom			51	30				116	197
Other Countries									
Australia								6	6
Japan								1	1
Nansei Island								2	2
Union So.Africa			3						3
Small Lots	11							14	25
TOTAL	1,399	77	662	293	40	84	194	1,140	3,889

VENEZUELA CORN HYBRIDS HIGHLY PRODUCTIVE

Three new hybrid corn varieties, which are claimed to yield better than 90 bushels per acre, have been released by the Venezuela Department of Agriculture. The new varieties, Guaicaipuro and Tiuna, which are white, and Mara, a yellow variety, have more than doubled the grain production of the older varieties. These are the most recent releases from the corn breeding program of Venezuela.

While described as hybrids, they are in reality F_1 crosses (single crosses) and not double crosses as are the commonly accepted U. S. varieties. However, they are much superior to the open-pollinated varieties found so widely scattered throughout that part of the world.

U. S. COTTON EXPORTS CONTINUE AT HIGH LEVEL IN NOVEMBER

United States exports of cotton in November 1956 amounted to 555,000 bales of 500 pounds gross (536,000 running bales), continuing the high level of the last 3 months when cotton exports have exceeded the half-million-bale mark each month - 621,000 bales in October, and 526,000 bales in September. The November exports were almost 4 times the 145,000 bales in November 1955, and also exceeded the total amount of cotton exported in the first 4 months of the 1954-55 season.

Exports during August-November 1956 amounted to 2,143,000 bales of 500 pounds gross (2,061,000 running bales), as compared with only 533,000 bales in the corresponding months of 1955. Exports have been particularly heavy to Japan, West Germany, the United Kingdom, and Italy. Sharp increases also have been shown for Belgium, France, the Netherlands, Portugal, Switzerland, Canada, India, and Korea. Total exports to Europe amounted to 1,305,000 bales as compared with only 193,000 bales a year ago.

Although November imports were in good volume, they were not as large as expected because of the strike of dock workers in most United States ports during part of the month. This retarded export movement and caused a contraseasonal decline of 11 percent from October.

Exports for the 1956-57 season are expected to reach 6,500,000 bales. Sales of cotton by competitive bid for export from stocks of the Commodity Credit Corporation through January 8, 1957, amounted to 6,273,192 bales. The demand for United States cotton continues strong although supplies of some of the better grades and staples reportedly are becoming limited. Stabilization of prices under the export program apparently has stimulated confidence in the cotton trade in consuming countries, and the orderly marketing of the United States surplus cotton is generally meeting with favorable approval.

UNITED STATES: Exports of cotton by country of destination, averages 1935-39 and 1945-49, annual 1954 and 1955, August-November 1955 and 1956

(Bales of 500 pounds gross)

Country of destination	Year beginning August 1				August-November	
	Average 1935-39	Average 1945-49	1954	1955	1955	1956
	1,000 bales					
Austria	0	1/ 36	15	18	4	14
Belgium	169	131	66	30	2	96
Denmark	33	14	21	3	0	7
Finland	35	21	13	16	15	22
France	662	575	416	178	44	171
Germany, West	511	340	350	74	24	253
Italy	442	489	249	105	21	239
Netherlands	107	131	95	17	1	71
Norway	17	7	12	2/	0	4
Portugal	36	2/	11	5	0	30
Spain	108	69	197	143	37	73
Sweden	115	12	51	10	2	20
Switzerland	11	26	37	14	7	46
United Kingdom	1,346	488	421	153	33	252
Yugoslavia	17	47	103	110	1	2
Other Europe	3/ 276	4/ 159	9	5	2	5
Total Europe	3,885	2,545	2,066	881	193	1,305
Canada	301	275	307	75	33	135
Cuba	11	16	19	11	1	11
Israel	5/	5	20	15	3	5
Hong Kong	5/	35	6	45	2/	13
India	52	86	61	9	1	110
Japan	1,142	585	678	873	176	357
Taiwan (Formosa)	5/	1	120	124	34	11
Korea, Rep. of	5/	6/ 48	170	135	38	79
Indonesia	5/	5	27	15	5	13
Philippines, Rep. of	2	4	8	12	5	11
Bolivia	4	2	5	13	4	2/
Chile	9	20	10	14	4	30
Colombia	20	24	2	27	5	19
French N. Africa	5/	4	12	6	1	4
Australia	9	7	52	28	8	17
Other countries	7/ 154	8/ 403	22	38	22	23
Total 500-lb bales	5,589	4,065	3,585	2,321	533	2,143
Total running bales	5,300	3,917	3,447	2,215	506	2,061

1/ 4-year average. 2/ Less than 500 bales. 3/ Includes Poland 180, and Czechoslovakia 65. 4/ Includes Poland 69, Czechoslovakia 57, and Greece 21. 5/ If any, included in other countries. 6/ 3-year average. 7/ Includes China 117 and French Indochina 22. 8/ Includes China 401.

Compiled from official records of the Bureau of the Census.

CANADA'S COTTON CONSUMPTION DECLINES IN DECEMBER

Canada's cotton consumption of 28,000 bales (500 pounds gross) in December 1956 represented a decline of 22 percent from the 36,000 bales consumed in November and 15 percent less than consumption of 33,000 bales in December 1955. Consumption during the 5 months, August-December 1956, however, amounted to 163,000 bales or only 3 percent less than the 168,000 bales consumed a year ago. The occasional sharp variation of monthly bale openings in mills is attributed to conditions of internal supply rather than to actual change in the consumption rate, which is more accurately measured by the seasonal levels.

Canadian mills are generally operating at the same level as a year ago, which is the best rate since 1951. Most mills are running $2\frac{1}{4}$ shifts which is considered near full capacity. A rapid shift from the use of Mexican to United States cotton has occurred since August and by December it was estimated that mills were using approximately 95 percent United States cotton.

Canada's cotton imports in August-September 1956 amounted to 60,000 bales or about 11 percent more than the 54,000 bales imported in the same period of 1955. Imports from the United States were 47,000 bales this year as compared with 32,000 in August-September 1955.

Cotton imports in August-July 1955-56 amounted to 385,000 bales or 9 percent more than imports of 353,000 bales in 1954-55. United States cotton imports amounted to 98,000 bales or 26 percent of the total in 1955-56 as compared with 324,000 bales or 91 percent in 1954-55. Imports of Mexican cotton amounted to 259,000 bales or 69 percent in 1955-56, increasing sharply from 19,000 bales or 5 percent of the total in 1954-55.

Canadian mills have bought United States cotton forward for several months, some being covered through June 1957. Mill managers have noted a shortage of CCC (Commodity Credit Corporation) Strict Middling 1 inch. staple, and interest has also been shown in CCC plans for sale of the 1955 crop.

The demand for cotton textiles continues strong, reflecting the overall high Canadian economic level. The Canadian Textile Institute estimates 1956 consumption of cotton textiles at 515 million yards or 4 percent higher than 1955 consumption of 496 million yards. Consumption of synthetic goods in 1956 was estimated at 119 million yards as compared with 125 million in 1955, a decline of 5 percent.

BELGIUM'S COTTON CONSUMPTION HIGHER THAN LAST YEAR

Belgium's cotton consumption in the first 3 months (August-October) of the 1956-57 marketing season amounted to 115,000 bales (500 pounds gross), a seasonal increase of 21 percent over consumption of 95,000 bales in the preceding quarter, and 5 percent higher than the consumption of 110,000 bales in August - October last year. Most of the seasonal increase was in the use of United States cotton which had been unusually low in the latter part of the 1955-56 season, amounting to only 3,600 bales or 4 percent of the total in May-July 1956. Consumption of United States cotton in August-October 1956 increased to 15,000 bales or 13 percent of the total.

Belgium's cotton consumption of all growths during 1955-56 amounted to 420,000 bales or only slightly below consumption of 425,000 bales in 1954-55. Consumption of United States cotton amounted to 29,000 bales or 6 percent of the total and that of Belgian Congo to 76,000 bales or 17 percent of the total. Other growths consumed included Mexican, Nicaraguan, Brazilian, Pakistani, Indian, Peruvian, Egyptian, and Russian.

Cotton imports into Belgium in August-September 1956 amounted to 60,000 bales or 7 percent more than the imports of 56,000 bales in the same months of 1955. Imports from the United States amounted to 15,000 bales in the current period as compared with only 3,000 bales a year ago. Imports from Mexico declined from 15,000 bales a year ago to 10,000 bales in the current period. Increased quantities were received from the Belgian Congo, Peru, and Brazil. Imports from Nicaragua, India, and Egypt were considerably lower than those of a year ago.

Belgian's cotton imports during August-July 1955-56 amounted to 389,000 bales, down 14 percent from the 451,000 bales imported in 1954-55. Imports from the United States in 1955-56 amounted to 44,000 bales or 11 percent of the total as compared with 86,000 bales or 19 percent in 1954-55. Quantities imported from other principal destinations in 1955-56 with comparable quantities for 1954-55 in parentheses were: Mexico 93,000 bales (82,000); the Belgian Congo 67,000 (71,000); India 40,000 (16,000); Peru 22,000 (27,000); Brazil 20,000 (21,000); Nicaragua 18,000 (15,000); Pakistan 16,000 (16,000); Egypt 16,000 (15,000); and the U.S.S.R. 13,000 (9,000).

Stocks of cotton held by Belgian mills on August 1, 1956, amounted to 103,000 bales, down 21 percent from stocks of 130,000 bales held a year earlier. Stocks on October 31, 1956, were reduced to only 88,000 bales or slightly more than 2 months' supply at the present rate of consumption, due to the abnormally low imports and the higher rate of consumption.

Production of fine cotton yarn by Belgian cotton spinning mills in August-July 1955-56 amounted to 89,000 metric tons or 3 percent less than in 1954-55. Production of carded yarn amounted to 5,900 metric tons or 6 percent below the previous year. Production of extra coarse yarn during August-April 1955-56 amounted to 8,800 metric tons.

Production of cotton fabrics during the July-June 1955-56 season amounted to 75,000 metric tons or 2 percent below 1954-55. The Belgian Cotton Weavers's Association attributed this decline to severe competition encountered by Belgian products on both local and foreign markets and increased interest in synthetics.

Prices for raw cotton held steady during June to August and strengthened in September. The wide gap that existed earlier in the year between prices of comparable qualities of United States and Mexican cotton closed considerable during June and July when prices became closely competitive. By December prices of United States cotton were somewhat lower than most other comparable growths. The trade was reported to be generally satisfied with present prices and in hope of continued market stability. Criticism and fear of the United States surplus situation has apparently been largely dissipated by the successful operation of the United States cotton export sales program.

U.S. RICE EXPORTS CONTINUE AT HIGH RATE

United States rice exports in November of 1,233,000 bags (100 pounds) in terms of milled were well above average, though less than the monthly exports during the August-October period. Monthly exports from August through October were 2,786,000, 1,536,000 and 2,471,000 bags respectively. Fifty-nine percent of November shipments went to Indonesia, 21 Percent to Cuba, and 11 percent to Bolivia.

Rice exports during the August-November period of the current marketing year totaled 8,026,000 bags, 69 percent above exports in the corresponding months of 1955. Principal countries of destination were Indonesia, Pakistan, and Cuba. With the exception of French West Africa, rice shipments to all continental areas were above those in the like period of 1955.

(See tables on pages 13 and 14)

RICE: United States exports, in terms of milled, to specified countries, November 1956, with comparisons 1/

Country of destination	August-July 1954-55	August-July 1955-56	August-November 1955	August-November 1956 2/	November 1955	November 1956 2/
	1,000 cwt.	1,000 cwt.	1,000 cwt.	1,000 cwt.	1,000 cwt.	1,000 cwt.
Western Hemisphere:						
Canada	560	397	238	148	95	44
British Honduras	33	35	10	8	3	0
British West Indies	5	8	3	79	1	3/
Cuba	3,391	2,927	1,295	1,319	331	253
El Salvador	3/	44	2	0	0	0
Haiti	124	5	1	9	0	6
Netherlands Antilles	38	28	11	13	3	3
Bolivia	0	191	110	176	0	132
Colombia	205	13	0	0	0	0
Venezuela	84	32	3/	2	0	3/
Surinam	0	0	0	20	0	0
Other countries	35	148	21	35	1	4
Total	4,475	3,828	1,691	1,809	434	442
Europe:						
Belgium-Luxembourg	460	298	124	339	12	35
France	3/	78	3/	1	3/	1
Austria	23	5	0	2	0	3/
Western Germany	38	53	27	1	5	3/
Netherlands	71	31	4	34	0	3
Sweden	72	8	7	6	3/	1
Switzerland	53	22	11	27	4	5
Other countries	97	7	2	19	0	1
Total	814	502	175	429	21	46
Asia:						
India	0	215	0	0	0	0
Indochina	0	220	220	0	20	0
Indonesia	0	516	0	3,531	0	727
Japan	4,125	2,283	2,321	90	785	3/
Pakistan	0	2,653	0	1,789	0	0
Philippine Republic	25	28	11	11	6	0
Saudi Arabia	136	75	34	24	13	5
Turkey	0	3	0	218	0	0
Other countries	11	36	2	18	2	1
Total	4,297	6,029	2,588	5,681	826	733
Total Oceania	19	39	13	17	1	7
Liberia	219	276	71	76	0	0
French West Africa	0	625	200	0	0	0
Other Africa	10	21	9	9	1	3
Destination not specified	14	26	7	5	1	2
World total	9,848	4/ 11,346	4,754	8,026	1,284	1,233

1/ Includes brown, broken, screenings and brewers' rice, and rough rice converted to terms of milled at 65 percent. 2/ Preliminary. 3/ Less than 500 cwt. 4/ Does not include an estimated 700,000 cwt. which is the milled equivalent of ground rough rice sold by Commodity Credit Corporation for export as animal feed; nor 966,639 cwt. of supplementary exports by welfare organizations.

Source: Bureau of the Census.

RICE: United States exports, by country of destination and by classification, November 1956 1/

Country of destination	Rough: Unmilled	Rough: In terms of milled 2/	Milled: Not over 25% whole	Milled: Over 25% whole	Total (in terms of milled)
	Cwt.	Cwt.	Cwt.	Cwt.	Cwt.
Western Hemisphere:					
Canada	44,547	28,955	1,287	14,016	44,258
Mexico	436	283	0	2,518	2,801
Honduras	90	59	0	0	59
Canal Zone	0	0	0	10	10
Bermuda	0	0	0	444	444
Cuba	6,576	4,274	1,132	247,980	253,386
Haiti	150	98	0	5,650	5,748
Netherlands Antilles	0	0	100	2,631	2,731
Venezuela	440	286	0	0	286
Bolivia	0	0	0	132,276	132,276
Total	52,239	33,955	2,519	405,525	441,999
Europe:					
Sweden	0	0	585	195	780
Netherlands	0	0	3,199	0	3,199
Belgium-Luxembourg	0	0	16,205	18,921	35,126
France	0	0	0	500	500
Western Germany	0	0	300	0	300
Austria	0	0	0	130	130
Switzerland	0	0	0	5,339	5,339
Yugoslavia	0	0	0	75	75
Greece	0	0	0	105	105
Total	0	0	20,289	25,265	45,554
Asia:					
Israel	0	0	0	800	800
Saudi Arabia	0	0	0	5,307	5,307
Afghanistan	0	0	0	50	50
Indonesia	0	0	0	726,961	726,961
Japan	0	0	0	100	100
Total	0	0	0	733,218	733,218
Trust territory of the Pacific	0	0	600	6,865	7,465
French Morocco	0	0	0	2,750	2,750
Destination not specified	0	0	500	1,693	2,193
World total	52,239	33,955	23,908	1,175,316	1,233,179

1/ Preliminary. 2/ Rough rice converted at 65 percent.

Source: Bureau of the Census.

WORLD COTTON PRODUCTION ESTIMATE UNCHANGED

World cotton production in 1956-57 is estimated at 38.9 million bales (500 pounds gross weight), unchanged from the estimate released last November. Production estimates are now lower than in November for Brazil, Mexico, Egypt, Greece, and Turkey, but these are offset by higher estimates for India, Pakistan, Sudan, Argentina, and the United States. Recent reports indicate no change in this year's production prospects in Communist countries, mainly the Soviet Union and China. The 1956-57 world crop is only 0.6 million bales below last year's record production of 39.5 million bales, but is 23 percent above the 1935-39 average.

The United States crop of 13.3 million bales is 1.4 million bales smaller than the 1955 crop, mainly as a result of continued acreage restrictions, acreage removed from production under the Soil Bank program and slightly lower yields. With a crop of this size the supply of cotton in the United States will total about 27.8 million bales in 1956-57.

Production of American Upland-type cotton in the foreign Free World will total about 3 percent lower in 1956-57 than in 1955-56. Declines of 0.5 million bales in Mexico and 0.2 million bales in Brazil more than offset increases in Upland types of about 0.2 million bales in India, 0.1 million bales in Syria, and smaller increases in Argentina and Spain.

Foreign Free World production of Asiatic type short staple cotton in 1956-57 in India, Pakistan, and Burma is expected to be about 12 percent above the previous season. Since the November report, production prospects for both Asiatic and Upland types have improved in India and Pakistan. World production of extra long staple cotton is now estimated at 1,250 thousand bales, 18 percent above the 1955-56 production of 1,060 thousand bales. This is accounted for mainly by increases of 100 thousand bales each in Sudanese Sakel and Egyptian Menoufi, now estimated to total 490 and 159 thousand bales, respectively, for 1956-57.

World production of 38.9 million bales in 1956-57 is about 0.9 million bales above estimated consumption (including destroyed cotton) in 1955-56. However, in 1956-57 consumption is expected to be up about 1.2 million bales to a total of 39.2 million bales. This would be a new record high in world consumption which would exceed world production for the first time since 1950-51.

This is one of a series of regularly scheduled reports on world agricultural production approved by the Foreign Agricultural Service Committee on Foreign Crop and Livestock Statistics. It is based in part upon reports of U. S. Agricultural Attaches and other FAS representatives abroad.

A more extensive report with a statistical table is contained in a Foreign Agriculture Circular available from the Foreign Agricultural Service, U. S. Department of Agriculture, Washington 25, D. C.

FINLAND'S BUTTER SURPLUS SITUATION

The Finnish Cabinet recently took a step which it hopes will help alleviate the mounting butter surplus (See Foreign Crops and Markets, November 19, 1956, and September 24, 1956). On January 3, 1957, the Cabinet abolished the requirement that exporters must receive prior authorization from the Cabinet's Finance Committee before exporting accrued butter surpluses. This requirement, which has been in effect during the postwar years, was the Government's means of controlling the export subsidy. Under the new arrangement, any surplus over a monthly stock goal specified by the Ministry of Trade and Industry, may be sold for export after the issuance of the regular licenses. Funds necessary for the financing of the export subsidy will be under the control of the Ministry and placed at its disposal quarterly, or more often if judged necessary. Finnish exporters have advocated the removal of the Finance Committee authorization for some time, arguing that it would enable them to take timely advantage of favorable world market prices.

Finnish trade sources estimate that, by December 31, the total exports of butter from Finland amounted to more than 24 million pounds, a postwar record. During the year, approximately 80 percent of Finnish butter exports went to the United Kingdom. These sales were made at a price of approximately 37.1 cents per pound.

By mid-December stocks of butter in Finland totaled more than 8 million pounds. It is hoped that all these stocks will be liquidated before the flush milk production season starts this spring.

Finland's position as a butter exporter was brought up for discussion at the November meeting of the National Economic Society. Mr. K. T. Jutila, at one time Finland's Minister to the United States and presently a director of the Bank of Finland, pointed out that the surplus of dairy products is created at the expense of Finland's foreign currency reserves since production is partly the result of heavy feeding of imported feed concentrates. The foreign currencies called for by the import of these concentrates amounted to $22.2 million in 1955 and $18.3 million for the first 6 months only of 1956. According to Mr. Jutila's estimate, the price obtainable for a pound of butter in export channels only covers the cost of the imported feed concentrates consumed in producing the product.

While the situation is not as serious, cheese surpluses are also mounting. Finnish cheese exports totaled slightly over 23 million pounds during January-November 1956, about 4 percent over that period last year. In spite of this increase, stocks in mid-December totaled almost six times the 2.2-million-pound cheese stocks in December 1955. Cheese exports are also subsidized; the 35-cents-per-pound price received for cheese in export is reported to be about two-thirds of the domestic wholesale price.

MILK PRODUCTION UP IN U. K.

Milk production (according to the Milk Marketing Board which markets 95 percent of United Kingdom production) is running well above the 1955 level and, with more dairy cows, is expected to increase in 1957.

Total sales of milk during the first 10 months of 1956 at 1,791.7 million gallons were 9 percent higher than those of comparable 1955. Sales for liquid consumption in January-October 1956, were 1,269.0 million gallons compared with 1,263. million gallons in the same period a year earlier.

The quantity of milk used in the manufacture of dairy products during the first 10 months of 1956 was nearly 40 percent greater than such usage in the earlier year. In January-October, 1956 there were also substantial increases in the amount of milk used in all manufactured dairy products except bulk condensed milk.

A recent conversation between the National Farmers Union and the Milk Marketing Board of the United Kingdom apparently left until 1958 any decision on the milk surplus problem. Several suggestions were discussed, including quota arrangements.

At the same time the results of the September farm census were published, showing an increase in cow numbers and an indication of a higher milk production in 1958. The census returns show that since September 1955 total cows and heifers in milk and dry cows in calf rose by almost 4 percent to 3.1 million. Most of the increase was in the numbers of cows and heifers in milk.

The Government recently published a White paper, made necessary, it said, by criticism that annual reviews make for uncertainty. In the White Paper the Government states that the guaranteed price of each review commodity, including livestock and livestock products, would not be less than 96 percent of the previous year's guaranteed price nor less than 90 percent in a 3-year period.

WEST GERMANY IMPORTING
MORE CHEESE

During the first 9 months of 1956, West Germany's imports of cheese amounted to 120.7 million pounds, an increase of 11 percent over the corresponding period of 1955, with most of the increase in Danish Supplies. Butter imports were down 12 percent to 46.8 million pounds, due mainly to sharp declines in shipments from Denmark and the Netherlands.

FAVORABLE BUTTER SUPPLY-DEMAND SITUATION IN WESTERN GERMANY

Publication of new German import tenders on August 30 and November 27, 1956 made a continuation of the balanced supply and demand situation for butter possible during the months of low domestic production. Through the earlier publication of the tenders, producer prices avoided the rapid seasonal increase experienced in the autumn of 1955. In September 1956, the producer price rose from the summer level of 64.9 to 66.0 cents per pound compared with the 64.5 to 66.9 cents per pound increase a year earlier. The December 1956 price was 67.1 cents per pound.

With consumers becoming more familiar with the imported product, the wholesale price for imported butter reportedly surpassed domestic offers several times during the last months of 1956. The ample supply of fresh butter made it difficult to move storage butter released by the Import and Storage Agency and the Cooperative Fat Contor in the beginning of November.

Denmark, the Netherlands and Sweden supplied the major share of the 24.1 million pounds of butter imported by Germany during the July-September 1956 period.

Recent c.i.f. quotations in cents per pound for unsalted butter for export to Germany from these countries are: Denmark, 49.2; the Netherlands, 49.6; and Sweden, 49.2. Similar quotations from other supplying countries are: Australia, 44.4; Austria, 48.7; Finland 46.3; New Zealand, 44.4; Norway, 48.7; Union of South Africa, 44.4. France, which has been a rather heavy importer of butter during the past 6 months, also submitted a bid of 49.0 cents per pound.

DENMARK SHIFTING POULTRY EXPORT MARKETS

Danish poultry and egg exports during 1956 amounted to 76.3 million dollars, 3.6 million less than in 1955. Exports of eggs amounting to 5,013,000 cases (247,450 less than 1955) accounted for 87 percent of the dollar exhange.

West Germany received 58 percent of all Danish exports; the United States Armed Forces in West Germany purchased 13 percent; and the United Kingdom only imported 11 percent in 1956 as compared to 31 percent in 1955. Exports to secondary markets have also increased. Deliveries to Italy increased to 7 percent, and about 5 percent went to Switzerland. Approximately 6 percent was shipped to other countries such as France, Sweden, Uruguay, and Venezuela.

Prices were favorable for Danish exports to West Germany during the first 9 months of 1956. Then African and Argentine eggs, originally destined for the United Kingdom, were sold in West Germany causing depressed prices in the over-supplied market.

As of January 1, 1957, Danish egg exports began carrying a stamp showing the week they passed through the egg-packing control. Simultaneously, this stamp will inform the consumers that the eggs are Danish and give the name of the firm and packing control.

IRELAND PUSHES EXPORTS

The anticipated increased export movement of creamery butter from Ireland (See Foreign Crops and Markets, August 6, 1956), and in preparation for which export licensing was apparently removed (See Foreign Crops and Markets, November 12, 1956), has been initiated, according to announcements in the Irish press. During December an unspecified amount was exported to Northern Ireland at 40.6 cents per pound, about 13 cents per pound under the price the Irish Butter Marketing Committee paid for the butter in the domestic market.

Under its monopoly control of butter exports, the government had virtually imposed a ban on butter shipments because of the cost to the government in making sales at the prices offered. Butter exports from Ireland in January-September, 1956 at 994,000 pounds were only 38 percent of shipments during the same period in 1955. The present shipment to Northern Ireland is the first since May, 1955.

Stocks of butter on hand on October 1, 1956 amounted to more than 33 million pounds, of which about 10 million pounds are considered surplus. If the surplus butter is exported at an approximately 41 cent price, the total cost to the government would be in excess of $1 million. Unless this export subsidy can be paid for from the $5.6 million currently allocated for the domestic consumer butter subsidy, and additional appropriation will be required.

The surplus butter situation developed in part from the diversion of milk to butter manufacturing as a result of the declining export market for chocolate crumb, the whole milk, sugar-cocoa product used in the confectionery industry (See Foreign Crops and Markets, August 6, 1956). However, shipments of 69.5 million pounds of crumb during January-September, 1956, 4 million pounds above shipments for the comparable months of 1955, are somewhat higher than previously expected.

Cheese exports at 330,000 pounds were up 42 percent, but condensed milk shipments dropped 17 percent to 733,000 pounds. Exports of dried milk rose sharply from 2.1 million pounds to 5.9 million pounds, almost all of which went to the United Kingdom.

AUSTRALIA DOUBLES MEAT EXPORT BOUNTY

A bounty on the export of chilled and frozen beef of 3d ($.028) per pound has been announced by the Australian Ministry of Primary Industry for January-March 1957. This bounty, made upon the recommendation of the Meat Board, is double the 1.5d bounty which has been in effect during the last 4-months of 1956.

The Australian Government advances these bounties to exporters against anticipated deficiency payments from the U. K. under the Australia U. K. 15-year Meat Agreement. The U. K. makes periodic payments to cover any deficiency between the guaranteed price under the agreement and the actual prices which Australian beef brings in the U. K. Since July 1956, Australia has received about £ 1,600,000 ($3,520,000 in payments.

Australian frozen beef has not been as acceptable in the U. K. market as chilled beef, particularly since increased supplies of the latter beef (chilled) are available at competitive prices from Argentina and New Zealand and also owing to the larger domestic production in the United Kingdom.

The present 3-month period, instead of the usual 1-month and the higher bounty rate point to an apparent lack of confidence in an improvement in the U. K. meat market for Australian beef.

U. S. JULY-JANUARY WHEAT AND FLOUR EXPORTS ESTIMATED AT 275-280 MILLION BUSHELS

United States wheat and flour exports during the first 7 months (July-January) of the 1956-57 marketing season are expected to reach 275 to 280 million bushels grain equivalent compared with only 147 million bushels during the same period a year ago. This estimate is based on actual exports during July-November and inspections for export during December and the first two and one-half weeks of January.

Bureau of Census figures for July-November and inspections during December show that the bulk of the exports during that 6-month period of 1956 went to Japan, France, West Germany, the United Kingdom, the Netherlands, India, Pakistan, Belgium-Luxembourg and Greece.

United States Exports of Wheat and Flour During Stated Periods

Destination	July-November 1955			July-November 1956		
	Wheat	Flour 1/	Total	Wheat	Flour 1/	Total
	(Thousands of bushels, grain equivalent)					
Western Hemisphere						
Central America	362	1,861	2,223	566	1,514	2,080
Cuba	514	1,251	1,765	1,225	1,388	2,613
British West Indies	-	1,041	1,041	-	1,331	1,331
Colombia	986	20	1,006	1,181	39	1,220
Venezuela	42	1,862	1,904	115	2,799	2,914
Peru	2,461	79	2,540	1,517	124	1,641
Bolivia	389	290	679	1,531	543	2,074
Chile	1,388	4	1,392	5,093	7	5,100
Brazil	2,274	-	2,274	4,556	1	4,557
Paraguay	653	1,589	2,242	108	1,321	1,429
Others	1,573	135	1,708	706	391	1,097
Total	10,642	8,132	18,774	16,598	9,458	26,056
Europe						
Denmark	-	4	4	1,514	12	1,526
United Kingdom	4,382	589	4,971	14,167	621	14,788
Netherlands	9,289	1,513	10,802	11,889	1,211	13,100
Belgium-Luxembourg	1,555	9	1,564	8,911	8	8,919
France	-	-	-	21,999	2/	21,999
West Germany	9,278	1	9,279	17,061	60	17,121
Switzerland	59	-	59	2,137	2	2,139
Finland	139	-	139	2,813	-	2,813
Portugal	978	31	1,009	3,745	24	3,769
Italy	2,188	589	2,777	1,282	35	1,317
Yugoslavia	8,353	6	8,359	873	7	880
Greece	3,043	-	3,043	7,065	10	7,075
Others	811	641	1,452	3,006	382	3,388
Total	40,075	3,383	43,458	96,462	2,372	98,834
Asia						
Israel	1,772	5	1,777	4,857	5	4,862
India	368	13	381	9,469	13	9,482
Pakistan	-	1	1	7,626	2/	7,626
Indochina	-	633	633	-	1,504	1,504
Indonesia	-	356	356	-	2,136	2,136
Philippines	-	1,931	1,931	-	2,335	2,335
Korea	1,167	-	1,167	4,969	2	4,971
Taiwan	1,874	-	1,874	2,752	-	2,752
Japan	22,646	396	23,042	23,154	586	23,740
Others	560	2,190	2,750	960	1,702	2,662
Total	28,387	5,525	33,912	53,787	8,283	62,070
Others						
Tunisia	-	-	-	1,969	-	1,969
Canary Islands	1,282	-	1,282	165	-	165
British West Africa	-	1,232	1,232	-	1,317	1,317
French West Africa	-	2/	2/	1,345	4	1,349
Other Africa	960	1,145	2,105	911	1,133	2,044
Miscellaneous	3	91	94	2	145	147
Total	2,245	2,468	4,713	4,392	2,599	6,991
World total	81,349	19,508	100,857	171,239	22,712	193,951

1/ Wholly of United States wheat. 2/ Less than 500 bushels.

FINLAND'S HOG SLAUGHTER TO RISE

Finland may have a surplus of pork for export this year. Hog slaughter in the first quarter of 1957 is expected to be 6 percent greater than a year earlier and 18 percent larger during the second quarter. Finland has not exported portk since the poor harvest of 1955 when many animals were slaughtered to conserve feed. During 1956 Finland imported about 3.5 million pounds of pork to supplement reduced production.

To offset the present high level of pork prices, meat trade officials have requested the government to authorize the importation of about 1.1 million pounds of frozen pork from Denmark. The trade has also asked either reduction of the present import duty of $.18 per pound or payment of an import subsidy to lower the cost of the proposed imports from $.53 to $.47 per pound. (See Foreign Crops and Markets, December 3, 1956)

AUSTRALIA INCREASES WOOL EXPORTS

Raw wool exports to all destinations from Australia during the 5 months ending November of the 1956-57 season totaled 467 million pounds, actual weight, an overall increase of 7 percent above the same period a year earlier. The value of these exports was 26 percent higher because of the higher wool prices.

The largest increase has occurred in shipments to Japan which now ranks second only to the United Kingdom on a value basis. Exports to the United Kingdom and France have also increased substantially this season. Shipments to the United States, however, have declined from 25 million pounds to 13 million pounds.

ARGENTINE WOOL EXPORTS DECLINE

Exports of wool from Argentina during the first quarter of the 1956-57 season (October-December) declined from 36.1 million pounds to 29.6 million pounds. This decline is generally attributed to the higher aforo (minimum export) values for wool. A higher free exchange rate and higher international wool prices will probably encourage greater exports in the coming months.

Shipments of wool to the United States during October-December declined from 14.4 to 9.6 million pounds.

ARGENTINA ESTABLISHES INSTITUTE OF AGRICULTURE AND LIVESTOCK TECHNOLOGY

The Argentine Minister of Agriculture and Livestock announced on December 6, the establishment of the "National Institute of Agricultural and Livestock Technology" for the promotion and coordination of agricultural and livestock research. The new institute is to be an autonomous organization financed by a 1.5 percent tax to be levied upon livestock and agriculture exports. The Government will contribute 300 million pesos ($16.6 million) from its Economic Recuperation Fund.

The functions of the institute will be to conduct research on production, processing of agricultural products, extension work with farm communities and other measures necessary for the promotion and application of the research results.

URUGUAY SEEKS TO EXPAND MEAT EXPORTS

A special Uruguayan meat mission visited the United Kingdom in December 1956 to discuss ways and means for renewing the U.K.-Uruguay chilled beef trade which averaged 30,000 tons per year during prewar.

The mission met with all sections of the meat trade, shipping interests and government officials to discover how the U. K. demand could best be met.

At present Uruguayan meat production is considerably below capacity, due to strikes and financial troubles in the packing industry. Before the United Kingdom will import substantial quantities of chilled beef, Uruguay must reduce its prices to be competitive with Argentina.

The meat mission also visited Austria, Belgium, Czechoslavakia, France, West Germany, Holland, Italy, Spain, Russia and Sweden.

The first substantial shipments of Uruguayan chilled beef since 1953, totaling around 800 tons, arrived in the United Kingdom in early December. It is reported that other shipments totaling about 5,500 tons are contemplated.

ARGENTINA INCREASES
EXPORTS OF ANIMAL FATS

With the increased slaughter of hogs and cattle in Argentina during 1956, larger amounts of lard and tallow were made available to new markets. Italy is becoming an important market for both of these products. The sale of lard is on the free market, the latest reported price being $260 per ton, f.o.b. France, Peru, Belgium, Holland, and the United Kingdom have been buying Argentine edible and inedible tallow.

WEST GERMANY RESTRICTS
IMPORTS OF DANISH HOGS

West Germany has informed Danish authorities that slaughter hog imports into Germany from Denmark will be restricted to 2,500 a week for the first 2 months of 1957. Due to "free" entry of hogs during the last 4 months of 1956, Danish exports of slaughter hogs into Germany rose from 125,000 in 1955 to 190,000 in 1956, an increase of 52 percent.

During the last part of 1956, West Germany relaxed its usual restrictions upon Danish hog imports due to increased German demand for pork. In the "free" delivery period about 4,000 hogs per week were imported from Denmark.

FUTURES TRADING IN PEPPER
INAUGURATED AT COCHIN

Futures trading in pepper was inaugurated at Cochin (Malabar Coast), January 14, pursuant to the recommendation of the Forward Markets Commission to the Government of India a year ago. Mr. W. R. Natu, Chairman of the Forward Markets Commission opened the futures trading, and at the same time inaugurated the India Pepper and Spice Trade Association at Cochin. This association was licensed by the Government of India to conduct futures trading in pepper, initially for a period of 3 years.

Mr. Natu said that Cochin was chosen as the site for trading in pepper futures in order to bring this trading device within reach of growers and small traders.

CITRUS JUICE CONCENTRATE PLANT COMPLETED IN AUSTRALIA

Australia's first modern plant for the production of frozen orange juice concentrate has recently been completed. The plant is located at Robinvale in Victoria and its equipment is almost completely of United States manufacture.

Juice is concentrated to 40-45 degrees Brix and, while the plant is equipped with pasteurization equipment to permit storage, the main objective is the production of fresh frozen concentrate.

Initial success of the venture will depend to a large extent on the availability of fruit. The plant is located in the center of the Murray citrus-growing areas. However, the area is conveniently located to the Melbourne market and good prices on fresh fruit markets will compete with the plant for supplies.

APPLE IMPORTS DELAYED BY SWEDEN

Because of a large domestic crop Sweden has delayed the date of the first apple imports. It is now planned to open the borders not later than February 11.

Pear imports have been permitted, free of quantitative restrictions, since November 24. Free imports will be allowed until June 30, 1957, for both commodities.

ISRAELI CITRUS SHIPMENTS INCREASED

Israel plans to step up citrus shipments during January and February to make up for delays in shipping during December.

It is now planned to ship 2 million boxes each in January and February. About 75 percent of these shipments will be oranges and 25 percent grapefruit plus a few lemons and other citrus.

Consignment markets, such as Holland, Belgium, and the United Kingdom will take about one-half of the citrus with a small amount to Eastern Europe and the balance to Scandinavian countries.

SECOND WORLD SURVEY INDICATES RECORD WORLD BARLEY AND OATS CROP

World production of barley and oats in 1956-57 is at an all-time record, on the basis of the latest information available to the Foreign Agricultural Service. Present estimates place the tonnage of the two crops together at 146 million short tons, slightly above the previous record of a year ago. The high level of the present total is mainly due to a substantial increase in barley acreage, though higher yields were also a factor.

World barley production is estimated at 3,265 million bushels, compared with the previous record of 3,075 million a year ago. The bulk of the increase took place in Western Europe, especially in France, where a good part of the damaged winter wheat acreage was re-seeded to spring barley. As a result of sharply increased acreage and heavy yields, Western Europe's production was more than twice the prewar average. A considerable quantity of barley is available for export from France, as a consequence of the large crop this season. This grain would be in a favorable position to compete with dollar sources for Western Europe's import needs. That area is traditionally North America's largest outlet for surplus barley. A quantity of low quality wheat in Western Europe may further reduce the area's requirements for feed grain imports.

World oats production is estimated at 4,225 million bushels, which is below the 1955 total. A sharp drop in the United States crop was the principal factor in the decrease. Though this country's crop of oats was the smallest since 1944, carry-over stocks from last year's near-record crop bring total supplies only 5 percent below the average for the 10 years ended 1954. Supplies of other feed grains, which can be substituted for oats, are much above average in the United States.

Production of barley in North America is estimated at 659 million bushels, little change from the 1955 total. Total supplies are at an all-time high because of near-record production and very large carry-over stocks in both the United States and Canada. Maintenance of last year's high level resulted from increased production in Canada, which offset a decline in the United States. The North American total for both 1955 and 1956 was double the 1935-39 average.

Production of oats in North America, as estimated at 1,690 million bushels, is 226 million bushels less than the 1955 total because of a sharp reduction in the United States. That reduction was only partially offset by a substantial increase in Canada, where the current estimate of 535 million bushels has been exceeded only twice. Near-record yields and some increase over the 1955 acreage account for the large outturn. Though the North American total is well below the 1955 total, it is considerably above the prewar average, though acreage is about 3 million acres less than the prewar acreage.

Western Europe's production of these grains is somewhat larger than the 1955 outturn. The bulk of the increase is in barley which, at 845 million bushels, is 165 million larger than last year's total and double the prewar average. The large increase is attributed to a substantial re-seeding of damaged winter wheat acreage to spring grains. This was especially true in France where heavy winter damage resulted in an unprecedented barley acreage, 75 percent above the large 1955 acreage. Production in that country is estimated at 275 million bushels, compared with average production of around 55 million bushels. Record yields as well as large acreage contributed to the record outturn. Increases in barley acreage were general throughout Western Europe though they were moderate in countries other than France. Production of oats in Western Europe is slightly above the 1955 total though it is still below the 1935-39 average because acreage is somewhat below the prewar level.

In Eastern Europe production of these grains is estimated to be moderately below the 1955 harvest and also below average. Growing conditions appear to have been generally less favorable than those of a year ago.

The outturn of both barley and oats in the Soviet Union appears to be larger than in 1955. Increased acreage accounts for the gain. That increase resulted largely from re-seeding of breadgrain acreage which had suffered extensive winter killing in the south and central regions of the Union. It appears that less favorable weather conditions, especially during the harvest period, have resulted in some lowering of the barn yields of these grains.

Asia's production of these grains in 1956 is now estimated to be less than in 1955 mainly because of smaller crops in Turkey. Estimates for that country have now been reduced somewhat from earlier optimistic forecasts. The current estimate of about 100 million bushels of barley is the smallest barley crop for Turkey since 1950. A number of other countries of this area also show moderate reductions while two countries, Iraq and Syria, report near-record crops, which would provide surpluses for export. Syria's crop is about 4 times as large as the very small 1955 harvest. Production of oats in Asia is placed at 102 million compared with 108 million last year.

Barley production in Africa is somewhat above the near-average crop of a year ago while production of oats is the same as in 1955. The increase for barley was general throughout French North Africa. Increased acreage and higher yields account for the increase.

A larger harvest of oats but smaller barley crop is estimated for South America. In Argentina, by far the largest producer of the area, the outturn of oats is now estimated at 60 million bushels compared with 50 million bushels last year. The increase is due to increased acreage. Some decline is reported in Argentina's barley acreage and the harvest in that country is now placed at 36 million bushels, compared with about 44 million last year.

In Australia the barley harvest appears to be slightly above the previous record for that country but the outturn of oats is reported considerably below the record level of a year ago.

BARLEY: Acreage, yield per acre, and production in specified countries, year of harvest, averages 1935-39 and 1945-49, annual 1954-56 1/

Continent and country	Acreage 2/ Average 1935-39	Acreage 2/ Average 1945-49	Acreage 2/ 1954	Acreage 2/ 1955	Acreage 2/ 1956 4/	Yield per acre 3/ Average 1935-39	Yield per acre 3/ Average 1945-49	Yield per acre 3/ 1954	Yield per acre 3/ 1955	Yield per acre 3/ 1956 4/	Production Average 1935-39	Production Average 1945-49	Production 1954	Production 1955	Production 1956 4/
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	Bushels	Bushels	Bushels	Bushels	Bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
NORTH AMERICA															
Canada	4,291	6,569	7,856	9,932	8,722	20.7	21.5	22.3	25.4	31.8	88,882	141,171	175,509	252,410	277,782
Mexico	374	457	571	596	-	10.6	13.2	13.4	14.8	-	3,960	6,032	7,670	8,810	8,730
United States	10,817	10,713	13,370	14,564	12,827	22.1	25.5	28.4	27.5	29.0	238,622	273,306	379,254	401,225	372,495
Estimated total 5/	15,480	17,740	21,800	25,090	22,140	-	-	-	-	-	331,000	421,000	562,000	662,000	659,000
EUROPE															
Austria	401	293	372	385	416	32.6	24.3	38.7	41.2	41.5	13,087	7,127	14,380	15,880	17,280
Belgium	74	198	188	202	224	48.2	47.4	60.2	63.8	59.1	3,570	9,388	11,320	12,880	13,240
Denmark	946	1,079	1,506	1,509	1,599	55.9	59.6	62.4	67.0	68.3	52,881	64,345	93,920	101,050	109,260
Finland	280	346	435	460	505	28.2	24.6	31.7	27.2	26.7	7,900	8,500	13,800	12,500	13,500
France	1,897	2,019	3,041	3,244	5,659	27.9	26.0	38.1	37.8	48.6	53,004	52,500	115,960	122,680	275,000
Western Germany	6/ 2,005	1,288	1,812	1,925	2,103	6/ 39.4	34.0	48.7	49.6	50.5	6/ 79,000	43,740	88,260	95,500	106,100
Greece	525	453	516	513	507	17.8	16.2	20.7	20.1	23.0	9,365	7,359	10,700	10,310	11,670
Ireland	118	147	163	213	239	45.9	45.8	50.5	53.9	53.7	5,413	6,739	8,230	11,480	12,830
Italy	475	603	612	603	585	20.9	15.7	20.8	22.2	21.6	9,950	9,467	12,745	13,410	12,650
Netherlands	107	139	156	172	182	55.5	51.4	61.2	70.4	70.0	5,934	7,147	9,540	12,110	12,740
Norway	143	99	224	250	261	38.2	40.5	45.9	38.5	51.6	5,467	4,014	10,280	9,620	13,460
Portugal	320	322	395	395	-	12.8	11.9	14.1	10.1	-	4,100	3,835	5,580	4,000	-
Spain	7/ 4,549	3,979	3,963	3,825	3,830	7/ 21.3	21.0	25.6	20.8	18.3	7/ 97,059	83,528	101,270	79,420	70,000
Sweden	252	226	411	526	593	39.5	36.5	40.3	35.6	47.8	9,951	8,252	16,580	18,740	28,360
Switzerland	13	66	51	55	74	33.1	41.6	55.4	52.7	48.1	430	2,745	2,825	2,900	3,560
United Kingdom	934	2,120	2,063	2,296	2,336	39.2	43.3	50.8	59.7	53.1	36,596	91,895	104,720	137,010	124,133
Yugoslavia	1,045	-	-	835	872	18.0	-	-	21.4	18.1	18,800	-	-	17,910	15,800
Estimated total 5/	14,100	14,370	16,790	17,430	20,400	-	-	-	-	-	413,000	428,000	635,000	680,000	845,000
Other Europe, estimated total 8/	9,210	7,830	7,950	7,740	7,940	-	-	-	-	-	253,000	172,000	195,000	210,000	200,000
All Europe, estimated total 5/	23,310	22,200	24,740	25,170	28,340	-	-	-	-	-	666,000	600,000	830,000	890,000	1,045,000
U.S.S.R. (Europe and Asia)	26,600	19,800	-	-	-	16.0	13.7	-	-	-	425,000	272,000	-	-	-

ASIA															
Iran	6/ 1,545	1,687	1,975	-	-	6/ 23.1	22.0	19.2	-	-	6/ 35,728	37,157	37,850	40,420	40,420
Iraq	6/ 1,932	1,901	-	-	-	6/ 12.2	15.5	-	-	-	23,635	29,502	35,000	41,500	46,000
Lebanon	9/	52	28	28	28	9/	22.4	24.6	26.2	27.1	9/	1,165	690	735	758
Syria	9/ 793	867	1,342	1,000	1,630	9/ 19.4	12.8	17.1	6.9	18.0	9/ 15,386	11,135	22,960	6,890	29,350
Turkey	4,592	4,235	6,175	6,523	6,580	20.9	16.2	17.9	21.0	15.2	96,129	68,675	110,230	137,100	100,000
China	6/16,000	15,521	-	-	-	6/ 21.7	20.8	-	-	-	6/347,000	322,244	-	-	-
Manchuria	6/ 353	250	-	-	-	6/ 18.3	22.2	-	-	-	6/ 6,462	5,550	-	-	-
India 10/	6/ 5,793	6,900	8,720	8,309	8,145	6/ 15.6	15.4	15.5	16.1	15.6	6/ 90,253	106,255	135,570	133,930	126,980
Pakistan 10/	6/ 486	547	603	537	571	6/ 14.5	12.7	11.1	10.7	12.7	6/ 7,047	6,922	6,670	5,740	7,230
Japan	1,888	2,137	2,500	2,460	2,425	38.7	26.2	42.6	40.3	39.7	73,113	56,046	106,500	99,020	96,380
Korea	2,671	-	-	-	-	18.6	-	-	-	-	49,656	-	-	-	-
Estimated total 5/	38,530	38,410	43,540	43,920	44,310	-	-	-	-	-	780,000	704,000	841,000	843,000	815,000
AFRICA															
Algeria	3,051	2,227	3,470	3,304	3,300	10.9	12.6	12.2	9.8	13.5	33,132	28,120	42,270	32,470	44,550
Egypt	276	260	127	141	137	38.8	33.1	42.0	41.3	42.8	10,697	8,605	5,330	5,820	5,870
French Morocco	4,448	3,728	5,179	4,830	4,665	12.0	12.7	18.0	11.9	15.7	53,279	47,320	93,120	57,330	73,220
Tunisia	1,182	1,257	1,550	800	1,500	7.7	6.3	5.0	5.0	5.5	9,048	7,901	7,810	4,000	8,270
Union of South Africa	6/ 86	103	-	-	-	6/ 18.1	15.7	-	-	-	1,555	1,617	2,800	-	-
Estimated total 5/	10,680	9,380	12,940	11,660	12,180	-	-	-	-	-	124,000	111,000	178,000	128,000	161,000
SOUTH AMERICA															
Argentina	1,286	1,621	1,942	2,050	-	17.6	21.9	26.3	21.3	-	22,586	35,576	51,070	43,680	36,000
Chile	184	121	145	150	147	27.4	30.3	27.6	30.7	32.1	5,041	3,664	4,000	4,600	4,720
Peru	300	335	480	507	510	18.3	20.0	21.7	20.8	15.0	5,500	6,716	10,400	10,560	7,670
Uruguay	44	65	120	109	-	14.8	13.0	15.8	16.1	-	649	846	1,900	1,750	-
Estimated total 5/	2,140	2,580	3,350	3,450	3,200	-	-	-	-	-	38,000	53,000	77,000	71,000	60,000
OCEANIA															
Australia	648	868	1,690	1,900	2,100	18.0	19.4	18.1	21.2	20.5	11,651	16,854	30,625	40,210	43,000
New Zealand	24	56	42	44	-	39.7	39.7	47.4	43.2	-	952	2,223	1,990	1,900	-
Total	672	924	1,732	1,944	2,145	-	-	-	-	-	12,603	19,077	32,615	42,110	45,000
Estimated world total 5/	117,410	111,030	129,600	135,730	139,520	-	-	-	-	-	2,377,000	2,180,000	2,855,000	3,075,000	3,265,000

1/ Years shown refer to years of harvest in the Northern Hemisphere. Harvests of Northern Hemisphere countries are combined with those of the Southern Hemisphere which immediately follow: thus, the crop harvested in the Northern Hemisphere in 1956 is combined with preliminary forecasts for the Southern Hemisphere harvests which begin late in 1956 and end early in 1957. 2/ Figures refer to harvested areas as far as possible. 3/ Yield per acre calculated from acreage and production data shown, except for incomplete periods. 4/ Revised estimates for Northern Hemisphere countries; for Southern Hemisphere, preliminary forecasts based largely on acreage and weather conditions to date. 5/ Estimated totals, which in the case of production, are rounded to millions, include allowances for any missing data for countries shown and for other producing countries not shown. 6/ Average of less than 5 years. 7/ Figure for 1953 only. 8/ Comprises Albania, Bulgaria, Czechoslovakia, Eastern Germany, Hungary, Poland and Rumania. 9/ Estimates for Syria and Lebanon not shown separately during this period. 10/ Figures shown during this period are not strictly comparable since figures for 1954-56 include allowances for non-reporting areas, which were not included with earlier figures shown, but were included in estimated total for Asia.

Foreign Agricultural Service. Prepared or estimated on the basis of official statistics of foreign governments, reports of United States Agricultural Attaches abroad, results of office research, or other information. Prewar estimates for countries having changed boundaries have been adjusted to conform to present boundaries.

OATS: Acreage, yield per acre, and production in specified countries, year of harvest, averages 1935-39 and 1945-49, annual 1954-56 1/

Continent and country	Acreage 2/					Yield per acre 3/					Production				
	Average					Average					Average				
	1935-39	1945-49	1954	1955	1956 4/	1935-39	1945-49	1954	1955	1956 4/	1935-39	1945-49	1954	1955	1956 4/
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	Bushels	Bushels	Bushels	Bushels	Bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
NORTH AMERICA															
Canada 5/	13,246	11,513	10,161	11,178	11,972	25.5	28.4	30.2	36.5	44.7	338,071	326,437	306,793	407,783	535,394
Mexico	29	108	215	185	-	16.0	19.9	19.5	21.9	-	465	2,152	4,200	4,820	2,070
United States	35,761	40,184	40,551	39,243	33,639	29.2	34.3	34.8	38.3	34.3	1,045,329	1,376,527	1,409,601	1,503,074	1,152,652
Estimated total 6/	49,040	51,310	50,930	50,610	45,800	-	-	-	-	-	1,384,000	1,705,000	1,721,000	1,916,000	1,690,000
EUROPE															
Austria	686	534	519	468	461	41.9	32.6	44.4	53.5	53.3	28,746	17,424	23,030	25,060	24,570
Belgium	548	518	376	368	389	74.7	73.1	82.9	90.1	84.9	40,946	37,888	31,170	33,140	33,010
Denmark	932	822	610	657	626	75.3	82.5	90.2	90.5	92.3	70,205	67,820	55,050	59,450	57,800
Finland	1,030	931	1,260	1,260	1,250	43.7	37.9	44.4	37.3	37.2	45,000	35,275	56,000	47,000	46,500
France	8,089	6,110	5,322	5,132	5,666	40.7	36.3	46.3	48.9	54.7	329,304	221,821	246,210	250,770	310,000
Western Germany	7/ 3,370	2,892	2,329	2,394	2,350	7/ 57.7	50.0	73.2	71.3	71.9	7/194,500	144,500	170,370	170,680	168,890
Greece	350	312	341	361	364	24.3	19.4	30.2	29.8	29.0	8,510	6,058	10,310	10,750	10,560
Ireland	571	819	535	545	525	68.8	58.7	62.1	72.8	70.0	39,265	48,040	33,220	39,690	36,750
Italy	1,062	1,138	1,117	1,078	1,047	35.9	26.8	33.6	33.8	33.3	38,150	30,513	37,550	36,410	34,890
Luxembourg	65	54	47	50	50	44.8	43.9	49.6	59.4	63.8	2,910	2,370	2,330	2,970	3,190
Netherlands	360	378	352	420	378	71.6	63.8	91.3	95.1	88.6	25,769	24,125	32,150	39,960	33,500
Norway	212	195	174	169	166	61.0	57.1	63.6	46.4	72.3	12,940	11,137	11,070	7,850	12,000
Portugal	865	914	770	775	-	12.0	9.0	11.4	6.7	-	10,350	8,270	8,800	5,200	-
Spain	8/ 1,848	1,566	1,502	1,505	1,507	8/ 21.3	22.0	24.1	23.0	20.6	8/ 39,369	34,390	36,250	34,670	31,000
Sweden	1,641	1,300	1,172	1,260	1,345	53.1	44.6	50.7	32.6	58.8	87,198	58,000	59,460	41,130	79,060
Switzerland	28	86	62	59	84	56.9	64.7	83.1	78.5	82.0	1,593	5,568	5,150	4,630	6,890
United Kingdom	2,430	3,443	2,588	2,580	2,575	57.0	59.5	66.0	73.5	64.9	138,628	204,692	170,800	189,630	167,090
Yugoslavia	893	-	-	795	922	24.5	-	-	24.1	24.2	21,900	-	-	19,150	22,320
Estimated total 6/	24,980	22,960	19,920	19,870	20,480	-	-	-	-	-	1,135,000	980,000	1,005,000	1,018,000	1,087,000
Other Europe, estimated total 9/	11,110	9,290	9,190	8,500	8,480	-	-	-	-	-	473,000	313,000	335,000	347,000	320,000
Estimated total, all Europe 6/	36,090	32,250	29,110	28,370	28,960	-	-	-	-	-	1,608,000	1,293,000	1,340,000	1,365,000	1,407,000
U.S.S.R. (Europe and Asia)	49,500	35,100	-	-	-	23.5	20.5	-	-	-	1,165,000	720,000	-	-	-

ASIA															
Syria	10/ 24	22	-	-	-	10/27.6	26.1	-	-	-	10/ 662	574	-	-	-
Turkey	636	642	860	912	927	26.6	21.8	26.0	26.9	21.6	16,893	14,000	22,390	24,530	20,000
China	7/ 2,600	2,365	-	-	-	7/ 23.1	21.7	-	-	-	7/ 60,000	51,335	-	-	-
Japan	310	227	218	227	220	37.0	27.7	51.5	50.4	48.5	11,481	6,288	11,230	11,440	10,680
Korea	7/ 242	-	-	-	-	7/ 11.2	-	-	-	-	7/ 2,718	-	-	-	-
Estimated total 6/	3,990	3,910	4,610	4,750	4,750	-	-	-	-	-	95,000	83,000	108,000	108,000	102,000
AFRICA															
Algeria	465	420	358	310	309	23.4	18.3	21.3	19.0	19.0	10,859	7,694	7,620	5,900	5,860
French Morocco	104	95	140	-	-	26.5	25.0	33.9	-	-	2,751	2,376	4,750	-	-
Tunisia	84	70	47	-	-	19.9	13.7	-	-	-	1,674	958	-	-	-
Union of South Africa	7/ 544	756	-	-	-	7/ 12.8	11.1	-	-	-	6,966	8,415	-	-	-
Estimated total 6/	1,220	1,370	1,280	1,270	1,280	-	-	-	-	-	23,000	20,000	21,000	20,000	20,000
SOUTH AMERICA															
Argentina	1,974	1,666	1,500	1,617	-	25.4	29.6	30.0	30.8	-	50,182	49,310	45,000	49,810	60,000
Chile	279	204	236	240	250	27.5	26.2	31.5	30.8	33.8	7,670	5,343	7,430	7,400	8,460
Uruguay	213	172	110	140	-	14.6	16.5	20.5	18.9	-	3,100	2,840	2,260	2,650	-
Estimated total 6/	2,490	2,080	1,900	2,050	2,440	-	-	-	-	-	62,000	58,000	56,000	61,000	72,800
OCEANIA															
Australia	1,593	1,860	2,600	3,400	3,100	14.7	17.9	15.8	20.8	16.9	23,351	33,249	41,000	70,630	52,500
New Zealand	63	61	31	36	-	56.2	60.1	64.5	59.0	-	3,539	3,669	2,000	2,125	-
Total	1,656	1,921	2,631	3,436	3,135	-	-	-	-	-	26,890	36,918	43,000	72,755	54,500
Estimated world total 6/	143,990	128,440	132,460	126,990	123,380	-	-	-	-	-	4,364,000	3,916,000	4,190,000	4,445,000	4,225,000

1/ Years shown refer to years of harvest in the Northern Hemisphere. Harvests of Northern Hemisphere countries are combined with those of the Southern Hemisphere which immediately follow: thus, the crop harvested in the Northern Hemisphere in 1956 is combined with preliminary forecasts for the Southern Hemisphere harvests which begin late in 1956 and end early in 1957. 2/ Figures refer to harvested areas as far as possible. 3/ Yield per acre calculated from acreage and production data shown, except for incomplete periods. 4/ Preliminary estimates for Northern Hemisphere countries; for Southern Hemisphere, preliminary forecasts based largely on acreage and weather conditions to date. 5/ Production and yield reported in bushels of 34 pounds. 6/ Estimated totals, which in the case of production are rounded to millions, include allowances for any missing data for countries shown and for other producing countries not shown. 7/ Average of less than 5 years. 8/ Figure for 1935 only. 9/ Comprises Albania, Bulgaria, Czechoslovakia, Eastern Germany, Hungary, Poland and Rumania. 10/ Includes estimate for Lebanon, and is, therefore, not strictly comparable with estimates shown for later years.

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KENYA'S 1956 FOREIGN TRADE INCREASES OVER 1955

Kenya's domestic exports to destinations outside of British East Africa for the first 8 months of 1956 increased by $8.4 million over the same period of 1955. Exports to Canada and the United States in 1956 were almost twice the value of imports, in contrast to 1955 when dollar trade was almost in balance. The increase in dollar exports was principally because of Arabica coffee exports to the United States. Trade with Western European countries showed a substantial increase with Germany again the principal purchaser of Kenya's coffee.

Coffee accounted for 47 percent in value of Kenya's exports as against only 32 percent in 1955. The volume of coffee exports increased from 26.5 million pounds to 39.9 million pounds and the per pound value increased from 54 cents to 60 cents. Corn exports practically disappeared. About $2.8 million of wheat was imported in 1956 because of severe rust damage to the 1955-56 domestic crop.

AGRICULTURAL DEVELOPMENT IN FRENCH EQUATORIAL AFRICA

Land reclamation in the Tchad territory of French Equatorial Africa (between the Lagone and Chari Rivers) has been in progress during the past three years. It is estimated that an area of 230 square miles will be brought under cultivation. Production in this area last year included: 70,000 tons of cotton, 20,000 tons of paddy rice, 5,000 tons of peanuts and 1,500 tons of wheat.

Cattle raising is another important agricultural enterprise in this territory. It is estimated that 200,000 head are exported each year, of which only a small proportion is recorded. Fresh meat shipments by air have increased from 67 tons in 1950 to 3,200 tons in 1955, 50 percent of which was exported. New abattoirs and a refrigeration plant at Fort Lamy with a capacity of up to 10,000 tons a year (financed by U. S. aid) will be completed this year.

SOUTHERN RHODESIA COTTON SPINNING AND CLOTHING TRADE IMPROVE

The spinning mills of the Cotton Industries Board in Gatooma, Southern Rhodesia, produced a record output of cotton yarn in October and longer shifts are being worked to meet the increased demand. Improved conditions are said to be apparent in the cotton clothing industry and increased sales are reported. Increased imports of raw cotton are predicted in view of the very poor 1956 cotton crop in Nyasaland, which is now an important source of supply for Southern Rhodesia.

FRENCH WEST AFRICA PEANUT CROP MAY EQUAL LAST YEAR'S RECORD

Another bumper peanut crop may be harvested in French West Africa this year. Production may equal or even exceed the postwar record commercial crop of 830,000 short tons harvested in 1955-56.

Official estimates for commercial production in Senegal in early January ranged around 550,000 tons. This compares with the record high of 575,000 tons in 1955-56 and 440,000 tons in 1954-55. Senegal produced 70 percent of the French West African commercial crop in 1955-56. Purchases of peanuts in Senegal during the first week of the 1956-57 season, which began December 10, amounted to 64,000 tons, more than twice the purchases made during the first week of the previous season. In the Niger territory the first week's purchases were up nearly 40 percent from 1955-56 and expectations are for a crop exceeding last season's 150,000 tons. Good estimates are lacking for the third most important producing territory, Soudan, but preliminary indications are for a good crop.

The government-fixed producer price for the current crop is unchanged from last year at 22 French Colonial francs per kilo (5.7 cents per pound), farmers stock basis at Dakar. The fixed c.i.f. price for shelled nuts for crushing, basis 2 percent foreign matter, at French ports this year is 94.5 French francs per kilo (12.25 cents per pound). West African exporters and crushers claim that recent increases in marketing costs make it unprofitable for them to buy and sell at the officially fixed prices.

DECLINING DEMAND FOR INDIAN WALNUT EXPORTS

Large carryover stocks of walnuts, both in the United States and the United Kingdom, have combined to depress both prices and export demand for Indian walnuts. Prices quoted for Indian walnut kernels are nearly half the prices offered for similar quality nuts during the previous marketing season.

Early estimates for the 1956 Indian walnut crop, which ranged as high as 11,000 short tons, unshelled basis, have been adjusted downward to 8,200 short tons. The latter is regarded as average annual volume for the industry. Conversely, the 1955 estimate for walnut production, in the light of known export volume for the 1955-56 season, has been increased sharply to 8,000 short tons.

WORLD PRODUCTION OF FATS AND OILS SETS NEW RECORD FOR THIRD SUCCESSIVE YEAR

World production of fats, oils, and oil bearing materials in calendar 1956 1/ is estimated by the Foreign Agricultural Service at 30.5 million short tons, oil equivalent, on the basis of preliminary data now available. This volume of oil establishes a record high for the third successive year, exceeding estimated output in 1955, now revised to 28.8 million tons, by 6 percent and average prewar production by more than one-fourth. With this substantial increase in output, per capita supplies are slightly higher than the prewar level. World demand for fats and oils also is increasing, and with relatively small inventories in most normally importing countries world exports probably will continue at high levels.

Production in 1956 is estimated to have increased from 1955 in all of the 5 categories of fats and oils, namely: edible vegetable oils, palm oils, industrial oils, animal fats and marine oils, with the most significant increases in the edible and industrial oils groups.

While the major portion of the over-all increase occurred in the free areas of the world, some expansion is accredited to the Communist areas. For example, there are believed to have been substantial increases in cottonseed, flaxseed and rapeseed in the Soviet Union in 1956 and some increases in soybeans, peanuts and rapeseed are indicated for China.

Edible vegetable oils production from raw materials grown in 1956 is forecast at almost 9.9 million tons, about 8 percent more than output from 1955 crops. The substantial increase forseen in olive oil output in the Mediterranean Basin accounts for a sizable portion of the expected over-all expansion. Despite earlier fears that the widespread freeze of last winter would result in a serious cutback in olive oil production in southern Europe, large increases in Spain, Greece and Portugal will more than offset declines in Italy and France. Output in North Africa and the Middle East is expected to be high with a record production in Tunisia and a near record outturn in Turkey.

1/ Production of fats and oils in a given calendar year, as estimated here, is to a large degree that which is available for consumption and trade in the following year. Thus, in addition to the animal fats and marine oils actually produced, the total figure for any given year includes--less certain allowances for seed, feed, and food uses of raw materials, as well as losses--the oil equivalent of the oilseeds and the tree-crop oil materials grown and harvested in the Northern hemisphere, also in the Southern hemisphere where harvests normally begin before the close of the calendar year.

A record harvest of soybeans in the United States and the larger crop reported for China-Manchuria are expected to increase soybean oil output about 10 percent from the year before. Sesame seed oil production should increase by almost 100,000 tons from the record sesame harvest of 1956. Increased production in India, the Sudan, Mexico, Turkey and Venezuela is largely responsible for the high outturn. More oil may be expected from the 1956 peanut crop, estimated at an all-time high. A record peanut harvest in India and a possible increase in China more than offset some decline that probably occurred in Africa, particularly Nigeria. Sunflower seed oil production undoubtedly will be more abundant with a large 1956 seed crop in Argentina for the first time in 4 years. The expansion there, however, is partially offset by declines in some other producing areas, including the Soviet Union and Yugoslavia. Cottonseed oil production may decline about 3 percent from the preceding year's outturn as seed production from the 1956 cotton crop is expected to be down slightly. The loss from smaller crops in the United States and Mexico is not entirely offset by the increase in India and the larger crops believed to have been produced in the Communist countries, principally the Soviet Union and China. In the United States, which normally accounts for about one-third of the total world production, cottonseed output was down 9 percent from the year before.

Production of oil in the palm group in 1956 is estimated at 4.3 million tons, a 4 percent increase from 1955. The increase stems from the expansion in coconut and palm kernel oils as palm oil and babassu oil output is believed to have declined somewhat. Coconut oil production is estimated at an all-time high of almost 2.5 million tons, exceeding 1955 output by 6 percent. The year 1956 was an especially good one in the Philippines where copra production and exports including oil were at record high levels, exceeding 1955 by about one-fourth. Exports of copra and coconut oil at 1,270,000 short tons, copra basis, exceeded by 13 percent the previous high of 1,126,000 tons exported in 1947. Production in Malaya also appears to have increased significantly. In contrast, some decline in output is believed to have occurred in Indonesia and Ceylon. Palm kernel oil production in 1956 increased an estimated 4 percent. The major expansion occurred in Nigeria, by far the principal producer. On the other hand, indications are that the output of palm oil and Brazilian babassu oil did not reach 1955 levels.

A significant expansion of some 400,000 tons is expected in the industrial oils group due largely to the increase in linseed oil production. World flaxseed output reached a near-record high estimated at 170 million bushels in 1956, with expansion from 1955 in all the major producing areas of the world, except India. While the bulk of the increase is accounted for by Canada, Argentina, and the United States, a substantially larger crop also is believed to have been harvested in the Soviet Union. Rapeseed oil production may be slightly larger than production from the 1955 crop.

Rapeseed crops declined sharply in Western Europe, especially France and Sweden, as a result of the severe winter weather early in 1956. In West Germany and the Netherlands, on the other hand, the crops were up sharply. Unfavorable weather also reduced India's crop despite an increase in acreage. More than offsetting the losses in Europe and India, however, were the sharp increase indicated for China, record harvests in Canada and Japan, and a near-record crop in Pakistan. Good harvests of tung nuts in Argentina and the United States should make availabilities of tung oil in 1957 substantially larger than in the 2 previous years. Castor oil production is expected to approximate last year's level. The indicated decline from 1955 in Brazil's 1956 castor bean production was offset by slight increases in India and Mexico.

Production of animal fats in 1956 is estimated at a record 11.5 million tons, 3 percent larger than in 1955 and almost one-fourth greater than prewar average annual output. Lard and tallow increased and estimated 5 percent and butter about one percent. The increase in lard production to about 4.4 million tons was due largely to the greater outturn in the United States, which accounts for roughly one-third of total world output. In addition, expanded output also was expected in Canada, Mexico, Austria, France, West Germany, Italy and Yugoslavia. Moreover, production in most of the other large producing countries of the world, except possibly Denmark and Sweden, may have been at least as much as in 1955.

The upward trend in world production of tallow and greases continues with the increase in livestock slaughter. Around 3.2 million tons is estimated to have been produced in 1956. A substantial portion of the increase from 1955 occurred in the United States which accounts for approximately one-half of the world's total production. Significant expansion also is indicated for Argentina, Australia, New Zealand, France, the United Kingdom and Canada, with smaller increases for Mexico, Cuba, West Germany, Colombia and possibly Uruguay.

Butter production in 1956 may have reached almost 3.9 million short tons with a sizable portion of the slight gain from 1955 accounted for by the United States. Of the remaining primary butter producers, output was expected to be up in Australia, New Zealand, the United Kingdom, the Netherlands, Ireland, Finland and West Germany.

Output of marine oils in 1956 increased from 1955 by an estimated 2 percent, reaching 1,055,000 tons, the same as production in 1954 and in the prewar period. Whale oil output increased slightly with a somewhat larger production from the whale catch in the Antarctic during the 1955-56 season. The sperm whale oil outturn increased an estimated 10 percent with the most pronounced expansion accounted for by Japan. Indications are that production of fish oils in 1956 also was slightly larger than in 1955 due principally to increases in Norway and the United States, the 2 major producers.

FATS, OILS, AND OILSEEDS: Estimated world production, averages 1935-39 and 1945-49, annual 1950-56

(1,000 short tons - fat or oil equivalent)

Commodity	Average		1950	1951	1952	1953	1954	1955	1956 1/
	1935-39	1945-49							
Edible vegetable oils 2/:									
Cottonseed	1,390	1,220	1,355	1,730	1,810	2,025	1,965	2,055	2,000
Peanut	1,665	1,880	1,895	1,920	1,875	2,005	2,100	2,180	2,245
Soybean	1,355	1,615	1,885	1,860	1,975	1,905	2,100	2,250	2,500
Sunflower	625	830	1,150	1,140	1,035	1,025	995	1,190	1,250
Olive	970	915	635	1,525	852	1,285	1,075	770	1,075
Sesame	715	705	760	745	765	765	781	720	815
Total	6,720	7,165	7,680	8,920	8,312	9,010	9,016	9,165	9,885
Palm Oils 3/:									
Coconut	2,135	1,620	1,975	2,245	2,165	2,140	2,300	2,320	2,470
Palm kernel	400	335	455	415	415	450	470	450	470
Palm	1,090	1,000	1,240	1,210	1,240	1,320	1,355	1,335	1,330
Babassu kernel	30	20	50	40	30	30	38	40	38
Total	3,655	2,975	3,720	3,910	3,850	3,940	4,163	4,145	4,308
Industrial oils 2/:									
Linseed	1,145	1,100	1,150	1,035	1,050	990	995	1,085	1,460
Castor beans	200	210	228	230	235	240	230	225	225
Rapeseed	1,330	1,540	1,525	1,660	1,815	1,645	1,665	1,920	1,926
Oiticica	10	12	14	13	5	9	6	10	8
Tung	150	118	123	128	127	125	105	95	118
Perilla	65	5	5	5	6	6	5	5	5
Total	2,900	2,985	3,045	3,071	3,238	3,015	3,006	3,340	3,742
Animal fats:									
Butter (fat content) 4/	4,280 5/	3,450	3,615	3,640	3,640	3,765	3,875	3,850	3,890
Lard	3,500	3,070	3,680	4,015	4,200	3,990	4,025	4,255	4,450
Tallow and greases	1,550	2,000	2,350	2,370	2,455	2,755	2,855	3,000	3,150
Total	9,330	8,520	9,645	10,025	10,295	10,510	10,755	11,105	11,490
Marine Oils:									
Whale	545	280	425	435	460	420	455	420	425
Sperm whale	30	40	55	120	85	55	75	100	110
Fish (incl. liver)	480	275	375	474	450	455	525	515	520
Total	1,055	595	855	1,029	995	930	1,055	1,035	1,055
Estimated world total	23,660	22,240	24,945	26,955	26,690	27,405	27,995	28,790	30,480

1/ Preliminary. 2/ In the case of vegetable oilseeds, oil production has been estimated by assuming for each of the various crops that a certain proportion was crushed for oil. The years shown refer to the years in which the seed was produced and not necessarily when the oil was extracted. 3/ Estimated on the basis of exports and the limited information available on production and consumption in the various producing areas. 4/ 1934-38 average. 5/ 1946-49 average.

U. S. EXPORTS OF COTTONSEED AND SOYBEAN OILS IN OCTOBER-DECEMBER SET NEW RECORD

Record shipments of both cottonseed and soybean oils from the United States in December 1956 helped set a new high for exports for the first quarter of any marketing year.

Combined exports of the two oils in October-December 1956 totaled 354 million pounds according to preliminary Census Bureau data. This is equivalent to one-third the quantity exported during the marketing year 1955-56. While exports of cottonseed oil during the quarter were only slightly above the comparable period of last year, soybean oil exports were more than double those in October-December 1955. (Exports of soybeans in October-December, based on December inspection data, were 35 million bushels, the same as in October-December 1955.)

COTTONSEED OIL, SOYBEAN OIL, OILCAKES AND MEALS: Preliminary estimates of United States exports in December and October-December 1956, and actual exports, December and October-December 1955

Commodity	December		October-December	
	1955	1956 (Preliminary)	1955	1956 (Preliminary)
	Million pounds			
Cottonseed oil, refined	16.1	14.9	41.6	29.0
Cottonseed oil, refined and further processed	2.1	2.0	12.0	3.6
Cottonseed oil, crude	50.7	55.2	75.3	101.1
Total cottonseed oil	68.9	72.1	128.9	133.7
Soybean oil, refined	4.8	6.2	10.3	13.5
Soybean oil, refined and further processed	49.2	50.8	82.8	130.0
Soybean oil, crude	.8	42.6	4.8	77.0
Total soybean oil	54.8	99.6	97.9	220.5
	Thousand short tons			
Cottonseed cake and meal	27.3	9.2	113.7	21.1
Linseed cake and meal	26.9	4.3	64.7	23.1
Soybean cake and meal	64.8	57.7	141.5	171.0
Total cake and meal	119.0	71.2	319.9	215.2

Exports of oilcakes and meal in December continued to lag behind the high level set last marketing year. October-December exports were over 100,000 tons less than during the first quarter of the previous marketing year. This was due to a decline in exports of cottonseed and linseed cakes which was not fully offset by the record shipments of soybean cake.

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